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NOTE: This memo was not forwarded to the DCI.

29 September 1978

MEMORANDUM FOR: Director of Central Intelligence

THROUGH : Deputy Director of Central Intelligence

FROM : Richard Lehman

Associate Director-Substantive Support National Foreign Assessment Center

SUBJECT : Conversation With Dan Murphy

- 1. I called on Dan Murphy today at his request to discuss the new structure for I&W. The conversation was cordial and constructive, but it was clear that we have a DoD problem.
- 2. Murphy had two major concerns. The first was that he viewed that our arrangements intruded on the turf of the Secdef and the latter should have been consulted. He said that he had to assume that the DCIs decision was not final. I recounted to him the sequence of events and the time pressures that lead us to commit ourselves to the structure. I also told him that I could not accept his statement, as far as I was concerned the DCI had made a decision on the structure of national intelligence. On the other hand, what we had done was to establish a collegial organization designed to take DoD concerns into account. We had the skeleton of an organization and we had a mechanism for discussion of its operations and missions. It was my intention to consult Defense on all the questions that concerned it.
- 3. Murphy's second point was that this extremely important function had been buried several echelons down in CIA; it ought to be directly under the DCI. An NIO is seen by the community as a CIA officer and an NIO for Warning would not appear to have the authority over the other NIOs that he would need. I told him that the plan was for me to retain my present rank and to be first among equals among the NIOs. Moreover, I planned to carry out my job as the DCI's representative and had been promised his backing and access to him. I would make a distinction between the substantive part of my job and the policy, management and process aspects of it.

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4. We agreed that I would convene the working group next week and would ask it to address the understanding organizational questions and to formulate an agenda of problems that the new system should address. The membership of the working group will, initially at least, be myself, OSD, DIA, NSA, INR, NFAC, and CTS. Murphy's first inclination was to suggest that the Secdef raise the I&W issue with the DCI. In the course of the conversation, however, he agreed that if we could address his concerns in the working group and if he and I could sort out our problems together, it would not be necessary to make this an issue between Secdef and the DCI.

Richard Lehman